

2013 DRAFTING REQUEST

Bill

Received:	1/31/2013	Received By:	mshovers
Wanted:	As time permits	Same as LRB:	
For:	Daniel Riemer (608) 266-1733	By/Representing:	Dave
May Contact:		Drafter:	mshovers
Subject:	Tax, Individual - income credit	Addl. Drafters:	
		Extra Copies:	

Submit via email: **YES**
 Requester's email: **Rep.Riemer@legis.wisconsin.gov**
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Repeal the changes made to the earned income tax credit in 2011 WI Act 32

Instructions:

Redraft 2011 LRB -3372/1. Repeal the changes made to the EITC in Act 32

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 2/1/2013	jdye 2/2/2013	phenry 2/3/2013	_____			
/1	mshovers 5/2/2013			_____	sbasford 2/3/2013		State
/2		jdye 5/3/2013	phenry 5/3/2013	_____	lparisi 5/3/2013	lparisi 5/16/2013	State

FE Sent For:

2/19/2013 12:00:00 AM

("1")

<END>

["2"] At Intro.

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/1	mshovers 5/2/2013			_____	sbasford 2/3/2013		State
/2		jdye 5/3/2013	phenry 5/3/2013	_____	lparisi 5/3/2013		State

FE Sent For:
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/?	mshovers 2/1/2013	jdyer 2/2/2013	phenry 2/3/2013				
/1					sbasford 2/3/2013		State

FE Sent For:

1/1 2-19-2013
 requested by
 Dave Broshek
 from Riemer's
 ofc.

<END>

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1/1	mshovers	2/1/13	2	3	ph		
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FE Sent For:

<END>



State of Wisconsin
2011 - 2012 LEGISLATURE

145011



LRB-8372/1

MES:kjph

PMMP

Q
e
jld

PWF

2013 ~~2011~~ BILL

PWF✓

20
3
5
4
X
as a percentage of the federal credits,
is ~~four~~ ²⁴ percent for claimants with one
qualifying child, 11 percent for claimants with two
qualifying children, and 34 percent for claimants
with three or more qualifying children.

1 AN ACT to repeal 71.07 (9e) (aj); and to amend 71.07 (9e) (af) (intro.) of the
2 statutes; relating to: repealing the changes made to the earned income tax
3 credit in 2011 Wisconsin Act 32.

Analysis by the Legislative Reference Bureau

Under current law, as created in 2011 Wisconsin Act 32, the earned income tax credit (EITC) is reduced for claimants with two or more qualifying children. This bill repeals those provisions and restores former law. Under the bill, the EITC, as a percentage of the federal credit, would be ~~four~~ ²⁴ percent for claimants with one qualifying child, 14 percent for claimants with two qualifying children, and 43 percent for claimants with three or more qualifying children. *

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 SECTION 1. 71.07 (9e) (af) (intro.) of the statutes, as affected by 2011 Wisconsin
5 Act 32, is amended to read:
6 71.07 (9e) (af) (intro.) For taxable years beginning after December 31, 1995,
7 and before January 1, 2011, any natural person may credit against the tax imposed

BILL

SECTION 1

1 under s. 71.02 an amount equal to one of the following percentages of the federal
2 basic earned income credit for which the person is eligible for the taxable year under
3 section 32 (b) (1) (A) to (C) of the Internal Revenue Code:

4 **SECTION 2.** 71.07 (9e) (aj) of the statutes ~~as created by 2011 Wisconsin Act 38,~~
5 is repealed.

6 (END)

Shovers, Marc

From: Groshek, Dave
Sent: Tuesday, April 30, 2013 9:14 AM
To: Shovers, Marc
Subject: EITC Legislation for Rep. Riemer

Hi Marc-

I wanted to get in touch, because after sitting down and talking with some folks, including the senator's office (Hansen) who is going to take the lead in that house, we wanted to get a slight re-draft of the EITC legislation you did for us (LRB 1450/1). The change we want is so that it is *not* retroactive to June of 2011, as it is currently written according to the fiscal estimate we received. We want the effective date of the reinstatement of the previous percentages (43% for claimants with three or more children, and 14% for those claimants with two children) of the federal EITC to be the beginning of the upcoming fiscal year (July 1, 2013).

Let me know if that makes sense. Also, if you don't need anything else for that, we were hoping to have that back so we can begin to circulate on Thursday at the latest. Thanks Marc, and any questions just let me know.

Dave

--
David Groshek
Office of Representative Daniel Riemer
7th Assembly District
(o) 608.266.1733
(tf) 888.529.0007

Init App.
4/1/13

Memo

To: Representative **Rierner**

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2013 session draft.

LRB Number: LRB-1450

Version: “/1 ”

Fiscal Estimate Prepared By: DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 04 / 02 / 2013

*** * * * ***

To: LRB – Legal Section PA's

Subject: *Fiscal Estimate Received For An Un-introduced Draft*

- > If re-drafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file “guts” ... after the draft's old version (the version that this fiscal estimate was based on), and just before re-draft of the updated version.
- > If introduced ...** please make sure the attached fiscal estimate is for the **current version** ... write the draft's new introduction number below and give this packet to Mike (or Lori) to re-process the fiscal estimate (w/intro. number included).

THIS DRAFT WAS INTRODUCED AS: 2013 _____

Parisi, Lori

From: Parisi, Lori
Sent: Tuesday, April 02, 2013 1:44 PM
To: Rep.Riemer
Cc: Groshek, Dave
Subject: LRB 13-1450/1 unIntroduced-FE by DOR attached for your review (Subject: Earned Income Tax Credit-changes)
Attachments: FE-1450-DOR.PDF

Fiscal Estimate - 2013 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 13-1450/1		Introduction Number	
Description Repealing the changes made to the earned income tax credit in 2011 Wisconsin Act 32			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected			
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(f)			
Affected Ch. 20 Appropriations			
Agency/Prepared By		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	
		Date	
		4/1/2013	

Fiscal Estimate Narratives

DOR 4/1/2013

LRB Number	13-1450/1	Introduction Number	Estimate Type	Original
Description Repealing the changes made to the earned income tax credit in 2011 Wisconsin Act 32				

Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin earned income tax credit is calculated as a percentage of the federal credit, depending on the number of the claimant's qualifying children. The Wisconsin credit is 4% of the federal credit for persons with one qualifying child, 11% for persons with two qualifying children, and 34% for persons with three or more qualifying children. Prior to 2011 Wisconsin Act 32, the credit rates were 4%, 14%, and 43%, respectively. This bill repeals the 2011 law change and retroactively restores the rates that existed previously.

Under this bill, individuals who claimed the earned income credit for tax year 2011 and 2012 would be eligible to claim an additional \$49.7 million in fiscal year 2014 if they amend their 2011 and 2012 returns. Moreover, claims for tax year 2013 and subsequent years would increase the ongoing fiscal impact of the credit. These claims would increase by an estimated \$26.8 million in fiscal year 2014 and \$27.7 million in fiscal year 2015. As such, the bill is expected to increase earned income tax credit claims by \$76.5 million in fiscal year 2014 and \$27.7 million annually beginning in fiscal year 2015.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 13-1450/1		Introduction Number	
Description Repealing the changes made to the earned income tax credit in 2011 Wisconsin Act 32			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The bill would have a one-time cost of \$49.7 million associated with amended returns for tax years 2011 and 2012.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	27,700,000		
TOTAL State Costs by Category	\$27,700,000	\$	
B. State Costs by Source of Funds			
GPR	27,700,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$27,700,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	4/1/2013



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1450/4
MES:jld:ph

fmr

2013 BILL

SOON

X

Regen

1 AN ACT *to repeal* 71.07 (9e) (aj); and *to amend* 71.07 (9e) (af) (intro.) of the
2 statutes; **relating to:** repealing the changes made to the earned income tax
3 credit in 2011 Wisconsin Act 32.

✓ for taxable years beginning after December 31, 2012

Analysis by the Legislative Reference Bureau

Under current law, as created in 2011 Wisconsin Act 32, the earned income tax credit (EITC), as a percentage of the federal credit, is 4 percent for claimants with one qualifying child, 11 percent for claimants with two qualifying children, and 34 percent for claimants with three or more qualifying children. This bill repeals those provisions and restores former law. Under the bill, the EITC, as a percentage of the federal credit, would be 4 percent for claimants with one qualifying child, 14 percent for claimants with two qualifying children, and 43 percent for claimants with three or more qualifying children.*

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

X

4 SECTION 1. 71.07 (9e) (af) (intro.) of the statutes is amended to read:

5 71.07 (9e) (af) (intro.) For taxable years beginning after December 31, 1995,
6 and before January 1, 2011, any natural person may credit against the tax imposed

and for taxable years beginning after

December 31, 2012,

plain

BILL**SECTION 1**

1 under s. 71.02 an amount equal to one of the following percentages of the federal
2 basic earned income credit for which the person is eligible for the taxable year under
3 section 32 (b) (1) (A) to (C) of the Internal Revenue Code:

4

~~SECTION 2. 71.07 (9a) (aj) of the statutes is repealed.~~

5

(END)



Section #. 71.07 (9e) (aj) ^(intro.) of the statutes is amended to read:

71.07 (9e) (aj) ^(intro.) For taxable years beginning after December 31, 2010, ^{and before January 1, 2013,} an individual may credit against the tax imposed under s. 71.02 an amount equal to one of the following percentages of the federal basic earned income credit for which the person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of the Internal Revenue Code:

1. If the person has one qualifying child who has the same principal place of abode as the person, 4 percent.

2. If the person has 2 qualifying children who have the same principal place of abode as the person, 11 percent.

3. If the person has 3 or more qualifying children who have the same principal place of abode as the person, 34 percent.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

✓ (END)

Parisi, Lori

From: Rep.Riemer
Sent: Thursday, May 16, 2013 10:46 AM
To: LRB.Legal
Subject: Draft Review: LRB -1450/2 Topic: Repeal the changes made to the earned income tax credit in 2011 WI Act 32

Please Jacket LRB -1450/2 for the ASSEMBLY.